

III.B.1.a

TO: Mayor Ives and City Council

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DATE: September 4, 2007

**SUBJECT: 2007 OVERLAKE NEIGHBORHOOD PLAN UPDATE (L070097) AND
GROUP HEALTH REQUEST FOR AMENDMENT OF OVERLAKE
DESIGN DISTRICT (L070372)**

The Councilmembers will receive the Planning Commission's report and recommendation for the Overlake Neighborhood Plan Update and Group Health requested amendment in their boxes on September 7, 2007. At the September 4, 2007 meeting, staff will brief the City Council on the proposed amendment and would like direction on whether there is any additional information the Councilmembers would like in preparation for the September 11 study session.

OVERVIEW AND BACKGROUND

In the summer of 2005 at a joint meeting of the City Council, Planning Commission and Mayor, the City kicked off the Overlake Neighborhood Plan (ONP) Update and Implementation Project. The project focus has been on refining and implementing the neighborhood plan the City Council adopted in 1999. The objectives for the project are to:

- Account for change: A number of changes have been underway in Overlake since 1999, including relocation of Group Health and Sound Transit's planning for extension of light rail transit through Overlake.
- Refine and clarify the vision: While the adopted plan describes a broad vision for Overlake, refinements are needed to reflect recent and upcoming changes as well as to clarify goals for key elements, such as parks, open space and transportation.
- Extend the planning horizon to 2030: In order to plan effectively for extension of light rail transit and other facility improvements, the land use and transportation planning horizons need to be extended to 2030.
- Identify actions to implement the vision and neighborhood plan: While development and investments since 1999 are carrying out much of the neighborhood plan vision, progress on the vision for Overlake Village has been much slower.

The proposed amendments clarify and enhance the policies and regulations that comprise the ONP and include land use; character and design; parks, recreation, open space and the arts; transportation; public facilities and services; and issues related to the three proposed sub-areas: Overlake Village, the Employment Area, and the Residential Area. The intent of existing neighborhood policies and regulations has been largely retained in the proposed update, and new concepts are proposed to promote implementation of the existing neighborhood vision. In addition, the proposed policy and regulatory updates are intended to parallel the format of other recent policy and regulatory updates, to simplify the language, and to communicate the vision for Overlake clearly as a location for mixed use/residential development supported by a multi-modal transportation system.

During the course of the two-year project, people who live, work, own property, or are simply interested in the area have actively participated in the proposed update by taking part in:

- A two-day public design workshop held in May 2006;
- Two open houses held in November 2006 and March 2007;
- Two online surveys available in December 2006 and April 2007 associated with the respective open houses;
- Multiple one-on-one meetings and focus groups with neighborhood stakeholders held in winter/spring 2006, winter 2006/07, and spring 2007; and
- Public comment opportunity associated with the publication of the Draft SEIS in March 2007.

The proposed action is the adoption of Phase 1 of the ONP update. This includes adoption of updates to Redmond's Comprehensive Plan, the Redmond Community Development Guide (RCDG), and adoption of the Overlake Master Plan and Implementation Strategy.

Staff proposes to undertake Phase 2 updates following joint Redmond-Bellevue work regarding phasing of commercial growth and transportation improvements in the Bel-Red Corridor and Overlake. Included among the anticipated areas of update for Phase 2 are Redmond's Transportation Master Plan, other functional plans, and other provisions as needed.

PLANNING COMMISSION REVIEW

The Planning Commission began review on May 23 and concluded deliberations on August 29. During June and portions of July and August, the Commissioners devoted all meeting time to review of the proposed amendments for Overlake. They opened a public hearing on May 30 and continued the hearing to June 13 and June 20. They continued to seek public comment during subsequent study sessions.

The Planning Commission's report summarizes the public comment and how the Commission responded. Included among the comments the Planning Commission received were comments from the City of Bellevue and Viewpoint residents requesting that action on the Phase 1 amendments to the ONP be delayed. The Commission considered these comments but supported moving forward with action on the Phase 1 amendments, consistent with the timeline that was established for the project two years ago. Commissioners noted that the Phase 1 amendments:

- Maintain the City's commitment to the BROTS cap on commercial development;
- Do not contemplate more residential dwellings through 2030 under the Action Alternative than are allowed under current zoning; and
- Do not increase commercial capacity in the Employment Area.

Further, they noted that the Phase 1 amendments set the framework for continued coordination with Bellevue through joint work on an updated BROTS Agreement. Administration and staff efforts are already underway on resulting Phase 2 amendments for next year.

SUMMARY OF ISSUES CONSIDERED BY THE PLANNING COMMISSION

Below is a brief overview of key issues the Planning Commission discussed. The Planning Commission's report describes each of these topics and others in greater detail, including the issues the Commissioners considered and how the topics were resolved. The issues are highlighted below in anticipation that City Council will also likely want to discuss these topics.

- 1. Amount and Phasing of Development Through 2030:** The Commission considered and supported proposed policy N-OV-9 related to the amount and phasing of future development allowed in Overlake. The policy calls for consideration of allowing up to a total of 19.9 million square feet of commercial development capacity in Overlake through 2030 and phasing potential increases to the allowed commercial development capacity in the Employment Area over time by linking increases to such items as improvements in transportation facilities or service, increased residential development in the neighborhood, and the adequacy of parks, emergency services and other services needed for a daytime population. This policy expresses the City's intent of the amount of commercial growth to consider through 2030 and the general provisions for phasing any future increase in zoning capacity in the Employment Area. No changes to the zoning capacity in the Employment Area are proposed as part of Phase 1.
- 2. Incentive Program – Building Height and Floor Area:** A number of amenities are critical to creating the vibrant mixed use/residential people place that is envisioned in Overlake Village. Both the City-initiated amendment and subsequent Group Health-initiated amendment propose allowing additional building height and floor area in Overlake Village as incentives for the provision of a number of desired neighborhood amenities, such as an urban park, other plazas and open spaces, underground parking, and sustainable development.

The Planning Commission supported these proposed amendments with certain limits and requirements for analysis.

- 3. Allowed Uses:** The Planning Commission received a number of public comments related to allowed uses in the existing Retail Commercial (RC) zone (proposed Overlake Village, OV, zone). The specific requests were to allow additional uses, such as advanced technology and other business park uses, in this location. In response, the Commission recommended a three-pronged approach: 1) allow all existing, licensed businesses to remain in Overlake Village and to transition over time to conforming uses; 2) allow additional uses, such as advanced technology, only as part of the proposed bonus incentive program; and 3) support collaboration between City staff, property owners, and real estate brokers to help attract conforming uses to the area. In summary, they reasoned that the City should make zoning decisions based on a long-term vision and community needs as a whole, not just on short-term market demand.
- 4. Parking Related to Transit Facilities:** The Commission considered parking facilities related to light rail transit and how parking in Overlake could be managed over time. The proposed update includes policy support for developing a parking management program for Overlake, which could potentially include such future actions as implementing paid on-street parking, as well as for monitoring the need for a residential parking permit program should parking demand from the Employment Area cause negative spillover effects in the Residential Area. In addition, the update includes policy support for reducing parking standards near transit stations over time as new transit stations in the area become active. The update does not support new or increased park-and-ride facilities related to light rail transit in either Overlake Village or the Employment Area.
- 5. FAR for Hotel Uses in the Overlake Village District.** The Commission considered a request by OTO Development to increase the allowed Floor Area Ratio (FAR) for hotel uses in the Overlake Village District. The Commission noted that the commercial FAR in Downtown is much higher than in Overlake and thus more feasible for hotel development. They supported allowing a FAR of 1.2 for hotel uses in the Overlake Village District, consistent with the FAR of existing hotels built in the City. The proposed bonus incentive program could be used to achieve a maximum hotel FAR of 1.35.

SCHEDULE AND REQUESTED DIRECTION

Staff's proposed schedule for City Council review and action on this amendment includes the following dates:

September 4	Staff briefing on the Phase 1 amendments
September 11 September 25 October 9 October 23	Study sessions as needed
November or early December	Action on the Phase 1 amendments

In order to best use study session time, staff will contact you prior to the meeting regarding specific policy or regulatory issues you wish to discuss. If you have any questions as you review the report and recommendations, please contact Lori Peckol at 425.566.2411 or Jayme Jonas at 425.556.2496.